

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

IN RE:

GLEN CUTTER JEWELERS, INC.

Case No. 11-10

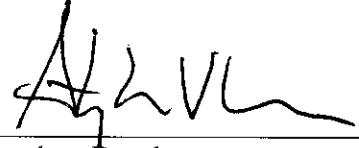
AFFIDAVIT OF STEPHEN BOUDREAU

STATE OF NEW MEXICO)
)ss
COUNTY OF DONA ANA)

Affiant, being first duly sworn according to law, deposes and states as follows:

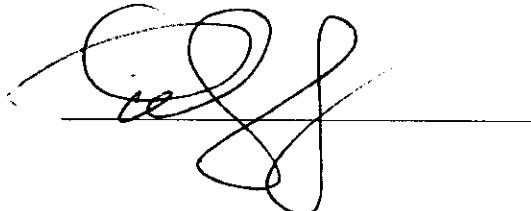
1. I am the President of Glen Cutter Jewelers, Inc. at the time it filed for chapter 11 bankruptcy relief.
2. I have signed the NM Form 501-11 which is the required signature page required in the District of New Mexico.
3. I have attached the 2009 Corporate tax return as well as the most Profit and Loss Statement, Statement of Operation and Cash Flow Statement for the corporation.

FURTHER AFFIANT SAYETH NAUGHT.


Stephen Boudreau

SUBSCRIBED AND SWORN TO before me this 15th day of September, 2010.

My Commission expires: 6/30/14



2:05 PM
09/15/10
Cash Basis

Boudreau Glenn Cutter Jewelers
Balance Sheet
As of September 15, 2010

	<u>Sep 15, 10</u>
ASSETS	
Current Assets	
Checking/Savings	
Wells Fargo Savings	300.00
Wells Fargo Blue	10,794.73
Cash on Hand	<u>500.00</u>
Total Checking/Savings	<u>11,594.73</u>
Accounts Receivable	
Accounts Receivable	<u>14,026.02</u>
Total Accounts Receivable	<u>14,026.02</u>
Other Current Assets	
Inventory- jewelry	225,811.32
Inventory - other	<u>11,475.57</u>
Total Other Current Assets	<u>237,286.89</u>
Total Current Assets	<u>262,907.64</u>
Fixed Assets	
Equipment	51,765.99
A/D equipment	-51,765.99
Leasehold Improvements	29,453.18
A/D leasehold improvements	-15,217.63
Furniture & Equipment	57,772.48
A/D furniture & fixtures	-54,404.49
Software	1,800.00
A/A - software	<u>-1,800.00</u>
Total Fixed Assets	<u>17,603.84</u>
Other Assets	
Deposits - rent	750.00
Deposits - utilities	<u>1,110.03</u>
Total Other Assets	<u>1,860.03</u>
TOTAL ASSETS	<u>282,371.51</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	<u>-229.56</u>
Total Accounts Payable	<u>-229.56</u>
Credit Cards	
Mastercard	24,012.89
Visa	<u>1,204.14</u>
Total Credit Cards	<u>25,217.03</u>
Other Current Liabilities	

2:05 PM
09/15/10
Cash Basis

Boudreau Glenn Cutter Jewelers
Balance Sheet
As of September 15, 2010

	<u>Sep 15, 10</u>
Consignment goods sold Payable	64,984.23
Retirement plan payable	5,367.11
Note Payable Bank of the West	77,399.96
Note Payable Cutter Trust 125	26,608.42
Note Payable Cutter Trust 97	68,421.03
Payroll Liabilities	10,104.21
Sales Tax Payable	8,809.18
Total Other Current Liabilities	261,694.14
Total Current Liabilities	286,681.61
Long Term Liabilities	
Note payable Fristoe & Co	76,849.53
Note Payable - McGrath Trust	57,792.71
Note Payable Michelle Boudreau	-2,250.00
Total Long Term Liabilities	132,392.24
Total Liabilities	419,073.85
Equity	
Treasury Stock	-552,513.00
Paid in Capital	100,752.22
Common Stock	1,056.00
Retained Earnings	312,772.73
Net Income	1,229.71
Total Equity	-136,702.34
TOTAL LIABILITIES & EQUITY	282,371.51

Boudreau Glenn Cutter Jewelers
Profit & Loss
August 2010

	Aug 10	% of Income
Income		
Gift Sales	618.65	0.96%
Jewelry Sales	49,205.00	75.99%
Service Revenue	14,929.32	23.06%
Total Income	64,752.97	100.0%
Cost of Goods Sold		
Consignment settlement	19,074.63	29.46%
Purchases Jewelry	4,563.71	7.05%
Purchases Gifts	694.71	1.07%
Total COGS	24,333.05	37.58%
Gross Profit	40,419.92	62.42%
Expense		
Legal Fees	120.47	0.19%
Advertising print	632.87	0.98%
Advertising radio	500.00	0.77%
Bank and Credit Card Fees	223.01	0.34%
Business Meals	84.44	0.13%
Credit Card Proc. Fees	476.01	0.74%
Insurance	1,850.13	2.86%
Insurance - Health	269.00	0.42%
Outside repair services	3,365.00	5.2%
Payroll Expenses	13,410.63	20.71%
Rent	1,200.00	1.85%
Security	32.21	0.05%
Shipping	136.74	0.21%
Supplies	1,277.15	1.97%
Telephone	477.23	0.74%
Utilities	722.14	1.12%
Total Expense	24,777.03	38.26%
Net Income	15,642.89	24.16%

Boudreau Glenn Cutter Jewelers
Statement of Cash Flows
August 2010

Aug 10

OPERATING ACTIVITIES

Net Income	19,135.52
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Payable	
Mastercard	-3,492.63
Note Payable Bank of the West	-717.63
Payroll Liabilities	-2,262.42
Sales Tax Payable	-485.32
Net cash provided by Operating Activities	<u>-1,545.42</u>
	10,632.10

FINANCING ACTIVITIES

Note Payable Michelle Boudreau	<u>-750.00</u>
Net cash provided by Financing Activities	<u>-750.00</u>

Net cash increase for period

9,882.10

Cash at beginning of period

16,997.25

Cash at end of period

26,879.35

Form **1120**Department of the Treasury
Internal Revenue Service**U.S. Corporation Income Tax Return**

For calendar year 2009 or tax year

OMB No. 1545-0123

beginning July 1, 2009, ending June 30, 2010**2009****A Check if:**

- a Consolidated return (attach Form 851)
 b Life/nonlife consolidated return
 2 Personal holding co. (attach Sch. PH)
 3 Personal service corp. (see instructions)
 4 Schedule M-3 attached

Use IRS label.**Otherwise, print or type.**Name **GLENN CUTTER JEWELERS INC**

Number, street, and room or suite no. If a P.O. box, see instructions.

2001 EAST LOHMAN SUITE 125

City or town, state, and ZIP code

LAS CRUCES, NM 88001**B Employer identification number** **C Date incorporated****09/03/1974****D Total assets (see instructions)****\$ 287000.****E Check if:** (1) Initial return (2) Final return (3) Name change (4) Address change**581409.****b Less returns and allowances****c Bal ►****581409.****Income**

1 a Gross receipts or sales	581409.	b Less returns and allowances	c Bal ►	1c 581409.
2 Cost of goods sold (Schedule A, line 8)			2	329707.
3 Gross profit. Subtract line 2 from line 1c			3	251702.
4 Dividends (Schedule C, line 19)			4	
5 Interest			5	
6 Gross rents			6	
7 Gross royalties			7	
8 Capital gain net income (attach Schedule D (Form 1120))			8	
9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)			9	
10 Other income (attach schedule)			10	
11 Total income. Add lines 3 through 10			11	251702.

Deductions (See instructions for limitations on deductions.)

12 Compensation of officers (Schedule E, line 4)			►	12 60087.
13 Salaries and wages (less employment credits)			13	76434.
14 Repairs and maintenance			14	
15 Bad debts			15	
16 Rents			16	14400.
17 Taxes and licenses			17	67.
18 Interest			18	8417.
19 Charitable contributions			19	0.
20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)			20	4350.
21 Depletion			21	
22 Advertising			22	23530.
23 Pension, profit-sharing, etc., plans			23	
24 Employee benefit programs			24	
25 Domestic production activities deduction (attach Form 8903)			25	
26 Other deductions (attach schedule)			26	87429.
27 Total deductions. Add lines 12 through 26			27	274714.
28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11			28	-23012.
29 Less: a Net operating loss deduction	Statement 3	29a	0.	
b Special deductions (Schedule C, line 20)		29b		
			29c	

Tax, Refundable Credits, and Payments

30 Taxable income. Subtract line 29c from line 28 (see instructions)			30	-23012.
31 Total tax (Schedule J, line 10)			31	0.
32 a 2008 overpayment credited to 2009	32a			
b 2009 estimated tax payments	32b			
c 2009 refund applied for on Form 4466	32c		d Bal ►	32d
e Tax deposited with Form 7004				32e
f Credits: (1) Form 2439		(2) Form 4136		32f
g Refundable credits from Form 3800, line 19c, and Form 8827, line 8c				32g
33 Estimated tax penalty (see instructions). Check if Form 2220 is attached			►	33
34 Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed				34
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid				35
36 Enter amount from line 35 you want: Credited to 2010 estimated tax			►	Refunded

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

PRESIDENT

May the IRS discuss this return with the preparer shown below?

 Yes No

Signature of officer

Date

Title

Paid Preparer's Use Only

Preparer's signature

Date

Check if self-employed Preparer's SSN or PTIN **Lisa J O Willman CPA****1744 S Triviz Dr**

EIN

Phone no. (575) 522-3882

Case 10-14704-jmc Doc 6 Filed 09/15/10 Entered 09/16/10 12:08:53 Page 6 of 20

Schedule A Cost of Goods Sold (see instructions)

1 Inventory at beginning of year	1	350294.
2 Purchases	2	170107.
3 Cost of labor	3	46593.
4 Additional section 263A costs (attach schedule)	4	
5 Other costs (attach schedule)	5	
6 Total. Add lines 1 through 5	6	566994.
7 Inventory at end of year	7	237287.
8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	329707.

9 a Check all methods used for valuing closing inventory:

- (i) Cost
 (ii) Lower of cost or market
 (iii) Other (Specify method used and attach explanation.) ►

b Check if there was a writedown of subnormal goods ► c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ►

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory?

If "Yes," attach explanation Yes No

Schedule C Dividends and Special Deductions (see instructions)	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries		100	
9 Total. Add lines 1 through 8			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from affiliated group members		100	
12 Dividends from certain FSCs		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up			
16 IC -DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4			

20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b ►

Schedule E Compensation of Officers (see instructions for page 1, line 12)
Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
STEVE V. BOUDREAU		100%			60087.

- 2 Total compensation of officers ► 60087.
 3 Compensation of officers claimed on Schedule A and elsewhere on return
 4 Subtract line 3 from line 2. Enter the result here and on page 1, line 12 60087.

Schedule J Tax Computation (see instructions)

1 Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	► <input type="checkbox"/>	
2 Income tax. Check if a qualified personal service corporation (see instructions)	► <input type="checkbox"/>	2 0.
3 Alternative minimum tax (attach Form 4626)	► <input type="checkbox"/>	3 0.
4 Add lines 2 and 3	► <input type="checkbox"/>	4 0.
5a Foreign tax credit (attach Form 1118)	5a <input type="checkbox"/>	
b Credit from Form 8834, line 29	5b <input type="checkbox"/>	
c General business credit (attach Form 3800)	5c <input type="checkbox"/>	
d Credit for prior year minimum tax (attach Form 8827)	5d <input type="checkbox"/>	
e Bond credits from Form 8912	5e <input type="checkbox"/>	
6 Total credits. Add lines 5a through 5e	6 <input type="checkbox"/>	
7 Subtract line 6 from line 4	7 <input type="checkbox"/>	7 0.
8 Personal holding company tax (attach Schedule PH (Form 1120))	8 <input type="checkbox"/>	
9 Other taxes. Check if from:	<input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)	9 0.
10 Total tax. Add lines 7 through 9. Enter here and on page 1, line 31	10 <input type="checkbox"/>	10 0.

Schedule K Other Information (see instructions)

1 Check accounting method:	a <input type="checkbox"/> Cash	b <input checked="" type="checkbox"/> Accrual	c <input type="checkbox"/> Other (specify) ►	Yes	No
2 See the instructions and enter the:					
a Business activity code no.	► 448310				
b Business activity	► RETAIL				
c Product or service	► JEWELRY				
3 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?				X	
If "Yes," enter name and EIN of the parent corporation	►				
4 At the end of the tax year:					
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)				X	
b Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)				X	
5 At the end of the tax year, did the corporation:				Yes	No
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions				X	
If "Yes," complete (i) through (iv).					

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

JWA

Form 1120 (2009)

Schedule K Continued

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions **X**

If "Yes," complete (i) through (iv).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) **X**

If "Yes," file Form 5452, Corporate Report of Nondividend Distributions.

If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock? **X**

For rules of attribution, see section 318. If "Yes," enter:

(i) Percentage owned ► _____ and (ii) Owner's country ► _____

(c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ► _____

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount **X**

If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ► \$ _____

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ► _____

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here **X**

If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ► \$ **100112.**

13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? **X**

If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ► \$ _____

JWA

Form 1120 (2009)

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1 Cash			5642.		19338.
2a Trade notes and accounts receivable		14026.		15262.	
b Less allowance for bad debts			14026.		15262.
3 Inventories			350294.		237287.
4 U.S. government obligations					
5 Tax-exempt securities					
6 Other current assets (att. sch.) Stmt. 4			1338.		
7 Loans to shareholders			28912.		
8 Mortgage and real estate loans					
9 Other investments (att. sch.)					
10a Buildings and other depreciable assets		138991.		138991.	
b Less accumulated depreciation		(121388.)	17603.	(125738.)	13253.
11a Depletable assets					
b Less accumulated depletion					
12 Land (net of any amortization)					
13a Intangible assets (amortizable only)		1800.		1800.	
b Less accumulated amortization		(1800.)		(1800.)	
14 Other assets (att. sch.) Stmt. 5			22715.		1860.
15 Total assets			440530.		287000.
Liabilities and Shareholders' Equity					
16 Accounts payable			294135.		143162.
17 Mortgages, notes, bonds payable in less than 1 year			73664.		
18 Other current liabilities (att. sch.) Stmt. 6			74160.		21008.
19 Loans from shareholders					
20 Mortgages, notes, bonds payable in 1 year or more			298890.		315813.
21 Other liabilities (att. sch.)					
22 Capital stock: a Preferred stock					
b Common stock		1056.	1056.	1056.	1056.
23 Additional paid-in capital			100854.		231760.
24 Retained earnings - Appropriated (attach schedule)					
25 Retained earnings - Unappropriated			150284.		126714.
26 Adjustments to shareholders' equity (attach schedule)					
27 Less cost of treasury stock			(552513.)		(552513.)
28 Total liabilities and shareholders' equity			440530.		287000.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1 Net income (loss) per books	- 23570.	7 Income recorded on books this year not included on this return (itemize): Tax-exempt interest \$ _____	
2 Federal income tax per books			
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize): _____			
5 Expenses recorded on books this year not deducted on this return (itemize): a Depreciation \$ _____ Charitable contributions \$ _____ Travel and entertainment \$ _____ 558.	558.	8 Deductions on this return not charged against book income this year (itemize): a Depreciation \$ _____ Charitable contributions \$ _____	
6 Add lines 1 through 5	- 23012.	9 Add lines 7 and 8	
		10 Income (page 1, line 28) - line 6 less line 9	- 23012.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	150284.	5 Distributions: a Cash	
2 Net income (loss) per books	- 23570.	b Stock	
3 Other increases (itemize): _____		c Property	
4 Add lines 1, 2, and 3	126714.	6 Other decreases (itemize): _____	
		7 Add lines 5 and 6	
		8 Balance at end of year (line 4 less line 7) 126714.	

ALTERNATIVE MINIMUM TAX DEPRECIATION REPORT

Asset No.	Description	Date Acquired	AMT Method	AMT Life	AMT Cost Or Basis	AMT Accumulated	ACE Cost Or Basis	Regular Depreciation	AMT Depreciation	ACE Depreciation
13	EQUIPMENT	07/01/08	15.00	14727.	0.	14727.	982.	982.	982.	982.
		07/01/08	15.00	124265.	7587.	124265.	3368.	3368.	3368.	3368.
	Totals			138992.	7587.	138992.				
							4350.	4350.	4350.	4350.

5.1

Form 4562

Department of the Treasury
Internal Revenue Service (90)
Name(s) shown on returnDepreciation and Amortization
(Including Information on Listed Property)

OTHER

OMB No. 1545-0172

2009

Attachment
Sequence No. 67

► See separate instructions.

► Attach to your tax return.

Business or activity to which this form relates

Identifying number

GLENN CUTTER JEWELERS INC

Other Depreciation

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.			
1	Maximum amount. See the instructions for a higher limit for certain businesses	1	250000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	800000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	7 Listed property. Enter the amount from line 29	7	
8	8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	10 Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10	
11	11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	13 Carryover of disallowed deduction to 2010. Add lines 9 and 10, less line 12 ►	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	4350.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2009

17

18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ►

Section B - Assets Placed in Service During 2009 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		27.5 yrs.	MM	S/L	
	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

20a Class life						
b 12-year						
c 40-year	/		12 yrs.		S/L	

12 yrs.

S/L

40 yrs.

MM

S/L

MM

S/L

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	4350.

916251
11-04-08 LHA For Paperwork Reduction Act Notice see separate instructions.

23

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Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
--	-------------------------------	---	----------------------------	--	------------------------	--------------------------	-------------------------------	---------------------------------

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use **25**

26 Property used more than 50% in a qualified business use:

.....	%
.....	%
.....	%

27 Property used 50% or less in a qualified business use:

.....	%	.....	.....	S/L	.....	.....	.....
.....	%	.....	.....	S/L	.....	.....	.....
.....	%	.....	.....	S/L	.....	.....	.....

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 **28**

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 **29**

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30	Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
31	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
32	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
33	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
34	Was the vehicle available for personal use during off-duty hours? .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
35	Was the vehicle used primarily by a more than 5% owner or related person? .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
36	Is another vehicle available for personal use? .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37	Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38	Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners .....	.....	.....
39	Do you treat all use of vehicles by employees as personal use? .....	.....	.....
40	Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? .....	.....	.....
41	Do you meet the requirements concerning qualified automobile demonstration use? .....	.....	.....

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization	(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year	
					

42 Amortization of costs that begins during your 2009 tax year:

43 Amortization of costs that began before your 2009 tax year

44 Total. Add amounts in column (f). See the instructions for where to report

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2009 DEPRECIATION AND AMORTIZATION REPORT
Other Depreciation

OTHER												
Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Exc	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
6EQUIPMENT	070108SL	15.0016		14727.					14727.	491.		982.
13EQUIPMENT	070108SL	15.0016		124265.					124265.	120897.		3368.
19LOAN FEES	010100	60M	43	1800.					1800.	1800.		0.
* Total Other Depreciation & Amor				140792.					140792.	123188.		4350.

(D) - Asset disposed

7.1

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

GLENN CUTTER JEWELERS INC

Contributions

Statement 1

Qualified Contributions Subject to 100% Limit

Contribution Subject to Limitation:

Carryover of Prior Years Unused Contributions
For Tax Year 2004
For Tax Year 2005
For Tax Year 2006
For Tax Year 2007
For Tax Year 2008 1617

Total Carryover 1617

Current Year Contributions

Total Contributions Available 1617

Taxable Income Limitation as Adjusted 0

Excess Contributions 1617

Allowable Contributions Deduction 0

Total Contribution Deduction 0

GLENN CUTTER JEWELERS INC

Form 1120	Other Deductions	Statement 2
Description		Amount
ACCOUNTING		13051.
APPRAISALS		535.
BANK AND CREDIT CARD FEES		7430.
CREDIT CARD PROCESSING FEES		6905.
DESIGN FEES		130.
LEGAL FEES		4086.
LIABILITY INSURANCE		22643.
Meals and Entertainment		558.
MILEAGE REIMBURSEMENT		505.
OFFICE SUPPLIES		7947.
OFFICERS HEALTH INSURANCE		3228.
PROMOTIONS		325.
SECURITY		386.
SHIPPING		7062.
TELEPHONE		5710.
UTILITIES		6928.
Total to Form 1120, Line 26		87429.

		Net Operating Loss Deduction	Statement 3	
Tax Year	Loss Sustained	Loss Previously Applied	Loss Remaining	Available This Year
06/30/02	51309.	51309.	0.	0.
06/30/03	31588.	31588.	0.	0.
06/30/07	156105.	55993.	100112.	100112.
NOL Available This Year			100112.	100112.

Schedule L	Other Current Assets	Statement 4
Description	Beginning of Tax Year	End of Tax Year
INTEREST INCOME RECEIVABLE	1338.	
Total to Schedule L, Line 6	1338.	

GLENN CUTTER JEWELERS INC

Schedule L	Other Assets	Statement	5
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Description	Beginning of Tax Year	End of Tax Year
UTILITY DEPOSIT	1110.	1110.
RENT DEPOSIT	750.	750.
LEGAL FUND DEPOSIT	20855.	
Total to Schedule L, Line 14	22715.	1860.

Schedule L	Other Current Liabilities	Statement	6
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Description	Beginning of Tax Year	End of Tax Year
RETIREMENT PLAN PAYABLE	5367.	5367.
PAYROLL LIABILITY	5172.	9856.
SALES TAX PAYABLE	0.	5785.
OTHER CURRENT LIABILITIES	63621.	
Total to Schedule L, Line 18	74160.	21008.

Federal Employer Identification Number (FEIN)

XXXXXXXXXX

96091019

1. Taxable income before federal NOL & special deductions (From federal Form 1120)
 2. Interest income from municipal bonds (Exclude New Mexico bonds)
 3. Federal special deductions (From federal Form 1120)
 4. New Mexico base income (Add lines 1 and 2 and subtract line 3)

 5. New Mexico NOL carryover (Attach schedule) **SEE STATEMENT 1**
 6. Interest from U.S. government obligations or federally taxed New Mexico bonds
 7. Subtotal (Subtract the sum of lines 5 and 6 from line 4)

 8. Deduction for foreign dividends (CIT-D, line 5)
 9. New Mexico net taxable income (Subtract line 8 from line 7)

 10. Income tax computation - tax on the amount on line 9 (See tax table on page 4 of instructions)
 11. New Mexico percentage (Enter 100% OR percentage from line 5 of CIT-C.)
 12. New Mexico income tax - MULTIPLY line 10 by the percentage on line 11
 13. Total non-refundable credits (CIT-CR, line 16)

 14. Net income tax (Subtract line 13 from line 12; if negative, enter zero)
 15. Franchise tax (\$50 per corporation)
 16. Total income and franchise tax (Add lines 14 and 15)

 17. **Amended Returns Only:** (Enter amount of all 2009 refunds received or overpayments applied to 2010.
See instructions for line 19.)
 18. Subtotal (Add lines 16 and 17)

 19. Total Payments: quarterly extension applied from prior year

Mark this box if using method 4 to calculate penalty and interest on underpayment of estimated tax;
Attach RPD-41287.

 20. New Mexico income tax withheld (Attach all annual statements of withholding)
 21. New Mexico income tax withheld from oil and gas proceeds (Attach Forms 1099, RPD-41285 or FID-WT)
 22. Approved film production tax credit claimed (Attach RPD-41228)
 23. Approved renewable energy production tax credit claimed (Attach RPD-41227)
 24. Total payments, tax withheld and credits (Add lines 19 through 23)

 25. Overpayment: (If line 24 is greater than line 18, enter the difference. This is your refund)
 - 25A. Amount of overpayment to be applied to 2010 liability (Not more than line 25)
 - 25B. Amount of overpayment to be refunded (Subtract line 25A from line 25)

 26. Tax due: (If line 18 is greater than line 24, subtract line 24 from line 18)

 27. Penalty (See CIT-1 Instructions)
 28. Interest (See CIT-1 Instructions)
- 967202 12-15-09
29. Total amount due (Add lines 26, 27 and 28)

1	-23,012
2	
3	
4	-23,012
5	100,112
6	
7	-123,124
8	
9	-123,124
10	0
11	100.0000 %
12	0
13	
14	0
15	50
16	50
17	
18	50
19	
20	
21	
22	
23	
24	
25	
25A	
25B	
26	50
27	
28	
29	50

Taxpayer's signature

I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. Declaration of preparer (other than taxpayer or an employee of the taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

PRESIDENT

Contact phone number

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Paid preparer's use only:**LISA WILLMAN**

Signature of preparer if other than above or if taxpayer

Date

NM CRS identification number

FEIN

SSN or PTIN

COPY

GLENN CUTTER JEWELERS INC

NM CIT-1	New Mexico Net Operating Loss Carry Forward	Statement	1	
Tax Year	Company Number	Loss Sustained	Loss Previously Applied	Loss Remaining
06/30/07		156105.	55993.	100112.
	Total Business Loss Carryover Available This Year			100112.